

SENATE BILL 549

P2

2lr2160
CF HB 456

By: **Senators Montgomery, Benson, Colburn, Mathias, Ramirez, ~~and Raskin~~
Raskin, and Rosapepe**

Introduced and read first time: February 3, 2012

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 9, 2012

CHAPTER _____

1 AN ACT concerning

2 **Small Business Reserve Program – Definition of Small Business – Revision**

3 FOR the purpose of altering the definition of “small business” under the Small
4 Business Reserve Program under the State procurement law; including small
5 businesses that meet either the limitation on employees employed by the
6 business or the limitation on gross sales of the business under the Small
7 Business Reserve Program; requiring the Department of General Services to
8 report to certain committees of the General Assembly on or before a certain
9 date; providing for the termination of this Act; and general relating to the Small
10 Business Reserve Program.

11 BY repealing and reenacting, without amendments,
12 Article – State Finance and Procurement
13 Section 14–501(a)
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2011 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Finance and Procurement
18 Section 14–501(c)
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – State Finance and Procurement**

4 14–501.

5 (a) In this subtitle the following words have the meanings indicated.

6 (c) “Small business” means:

7 (1) a certified minority business enterprise, as defined in § 14–301 of
8 this title, that meets the criteria specified under paragraph (2) of this subsection; or

9 (2) a business, other than a broker, that meets the following criteria:

10 (i) the business is independently owned and operated;

11 (ii) the business is not a subsidiary of another business;

12 (iii) the business is not dominant in its field of operation; **AND**

13 (iv) **1. A.** the wholesale operations of the business did not
14 employ more than 50 persons[, and the gross sales of the business did not exceed an
15 average of \$4,000,000] in its most recently completed 3 fiscal years;

16 [(v)] **B.** the retail operations of the business did not employ
17 more than 25 persons[, and the gross sales of the business did not exceed an average
18 of \$3,000,000] in its most recently completed 3 fiscal years;

19 [(vi)] **C.** the manufacturing operations of the business did not
20 employ more than 100 persons[, and the gross sales of the business did not exceed an
21 average of \$2,000,000] in its most recently completed 3 fiscal years;

22 [(vii)] **D.** the service operations of the business did not employ
23 more than 100 persons[, and the gross sales of the business did not exceed an average
24 of \$10,000,000] in its most recently completed 3 fiscal years;

25 [(viii)] **E.** the construction operations of the business did
26 not employ more than 50 persons[, and the gross sales of the business did not exceed
27 an average of \$7,000,000] in its most recently completed 3 fiscal years; and

28 [(ix)] **F.** the architectural and engineering services of the
29 business did not employ more than 100 persons[, and the gross sales of the business

1 did not exceed an average of \$4,500,000] in its most recently completed 3 fiscal years;
2 OR

3 **2. A. THE GROSS SALES OF THE WHOLESALE**
4 **OPERATIONS OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$4,000,000 IN**
5 **ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS;**

6 **B. THE GROSS SALES OF THE RETAIL OPERATIONS**
7 **OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$3,000,000 IN ITS MOST**
8 **RECENTLY COMPLETED 3 FISCAL YEARS;**

9 **C. THE GROSS SALES OF THE MANUFACTURING**
10 **OPERATIONS OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$2,000,000 IN**
11 **ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS;**

12 **D. THE GROSS SALES OF THE SERVICE OPERATIONS**
13 **OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$10,000,000 IN ITS MOST**
14 **RECENTLY COMPLETED 3 FISCAL YEARS;**

15 **E. THE GROSS SALES OF THE CONSTRUCTION**
16 **OPERATIONS OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$7,000,000 IN**
17 **ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS; AND**

18 **F. THE GROSS SALES OF THE ARCHITECTURAL AND**
19 **ENGINEERING SERVICES OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF**
20 **\$4,500,000 IN ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,
22 2013, the Department of General Services shall report to the Senate Education,
23 Health, and Environmental Affairs Committee and the House Health and Government
24 Operations Committee, in accordance with § 2-1246 of the State Government Article,
25 on the implementation of this Act and the effect of this Act on small business
26 participation in the Small Business Reserve Program.

27 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
28 effect October 1, 2012. It shall remain effective for a period of 2 years and, at the end
29 of September 30, 2014, with no further action required by the General Assembly, this
30 Act shall be abrogated and of no further force and effect.